



Senate Bill 52
FOIA Exemption for Private Equity Information

Sponsor: Harmon, Don

Background: Currently, the Freedom of Information Act (FOIA) does not contain provisions regarding the release of information for private equity firms owned by a public pension fund. Information such as management reviews, income projections, and strategic plans can be obtained through a FOIA request of a public pension funds interest in a private equity partnership.

Summary: The legislation seeks an exemption from the FOIA for information related to a public pension fund's investment in a privately held company or a private equity fund. Information that is either detrimental to the value of the investment or would impair the ability to obtain information on potential investments is also exempt from the FOIA.

The exemption does not apply to the financial performance of a venture capital or the identity of the fund's managers or general partners.

Comments: Private equity firms provide this information to their investors as part of the evaluation of current and prospective investments. Public reporting is an issue when a public pension fund wants to invest in private equity funds. This requirement creates an obstacle for private equity firms that must choose between possible public disclosure of confidential information or accepting public pension fund investments.

The Illinois Venture Capital Association supports the legislation.